SUPREME COURT, U. S.

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IN THE

Supreme Court of the United States

October Term, 1966

No. 42

SWITZERLAND CHEESE ASSOCIATION, INC.,
SCHWEIZERISCHE KAESEUNION A.G.,
Petitioners,

against

E. HORNE'S MARKET, INC.,
Respondent.

ON WRIT OF CERTIORARI TO THE UNITED STATES
COURT OF APPEALS FOR THE FIRST CIRCUIT

BRIEF FOR THE PETITIONERS

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IN THE

Supreme Court of the United States

October Term, 1965

No. 831

SWITZERLAND CHEESE ASSOCIATION, INC.,
SCHWEIZERISCHE KAESEUNION A.G.,

Petitioners,

against

E. HORNE'S MARKET, INC.,

Respondent.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT

BRIEF FOR THE PETITIONERS

Opinions Below

The District Court denied petitioners' motion without opinion. The opinion of the Court of Appeals (R. 54-56) is reported at 351 F. 2d 552.

Jurisdiction

The order of the Court of Appeals was entered on October 19, 1965 (R. 56). The petition for a writ of certiorari was filed on December 17, 1965, and was granted on January 31, 1966 (R. 57). The jurisdiction of this Court rests on 28 U. S. C. § 1254 (1).

Statute Involved

Section 1292 (a) (1) of the Judicial Code, the Act of June 25, 1948, c. 646, § 1, 62 Stat. 869, 28 U. S. C. § 1292 (a) (1) provides:

> § 1292. *Interlocutory decisions.*
>
> (a) The courts of appeals shall have jurisdiction of appeals from:
>
> (1) Interlocutory orders of the district courts of the United States, the United States District Court for the District of the Canal Zone, the District Court of Guam, and the District Court of the Virgin Islands, or of the judges thereof, granting, continuing, modifying, refusing or dissolving injunctions, or refusing to dissolve or modify injunctions, except where a direct review may be had in the Supreme Court.

Questions Presented

Petitioners are the exclusive representatives of the cheese manufacturers of Switzerland. They allege that respondent's use of the trade designation "Imported Swiss Cheese" on non-Switzerland cheese, without indicating the country of origin of the cheese, is deceptive and an unfair trade practice as a matter of law. Petitioners' motion for summary judgment granting a permanent injunction was denied by the United States District Court for the District of Massachusetts and petitioners' appeal was dismissed by the Court of Appeals for the First Circuit for want of jurisdiction.

The questions presented are:

1. Whether Section 1292(a)(1) of the Judicial Code authorizes an appeal to the appropriate court of appeals from an order by a district court denying a motion for summary judgment granting a permanent injunction; and

2. Whether the Court of Appeals for the First Circuit erred in dismissing the appeal from the order refusing a permanent injunction for want of jurisdiction, where Section 1292(a)(1) of the Judicial Code expressly states that "the courts of appeals shall have jurisdiction of appeals from (1) interlocutory orders of the district courts of the United States . . . refusing . . . injunctions" and the order of the District Court has a final and irreparable effect on the rights of the parties.

Statement

E. Horne's Market, Inc., the respondent and hereinafter referred to as Horne, operates a meat and cheese stall at Faneuil Hall Market in Boston. Horne has displayed and sold Swiss-type cheese produced in Finland and Austria as "Imported Swiss Cheese" without indicating the country of origin of the cheese (R. 20-21).

Petitioners, the exclusive representatives of all the cheese producers and cheese exporters of Switzerland (R. 25-27, 29-30), contend that

(a) the trade designation "Imported Swiss Cheese" inherently and primarily means cheese imported from Switzerland (R. 27-28, 30-32);

(b) the use of this designation to identify non-Switzerland cheese is deceptive and an unfair trade practice as a matter of law, unless the country of origin of the cheese is also identified (R. 8-10) and

(c) Horne's conduct is therefore violative of the provisions of the International Convention [1] and the Lanham Act of July 5, 1946 [2] (R. 29-30, 45-48).

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[1] Convention for the Protection of Industrial Property (Convention of Paris for the Protection of Industrial Property of March 20, 1883, revised at Lisbon on October 31, 1958) 13 U.S.T. 1; TIAS 4931.

[2] c. 540, 60 Stat. 427, 15 U.S.C. 1051.

The action was originally commenced on November 19, 1963, in the United States District Court for the District of Massachusetts for trademark infringement and unfair competition (R. 1-3).

After issue was joined, petitioners took the deposition of Horne's treasurer and business manager Melvin Green (R. 21) and served upon Horne a Request for Admission of Facts pursuant to Rule 36 of the Federal Rules of Civil Procedure (R. 20). As a result thereof, Horne admitted that

(a) it has been selling Swiss-type cheese made in Finland and/or Austria under the designation "Imported Swiss Cheese" without specifying the country of origin of such cheese (R. 20-21, 23-24);

(b) it has sold such cheese at a lesser price than the price commanded by Switzerland Swiss cheese (R. 24); and

(c) it knew that its cheese was imported from countries other than Switzerland (R. 20, 23).

Petitioners thereupon brought a motion for summary judgment granting a permanent injunction enjoining Horne from selling and offering for sale as "Imported Swiss Cheese" any Swiss-type cheese other than Swiss cheese made in Switzerland and selected and approved by petitioners for export to the United States, unless the name of the country from which the cheese has been imported is used in words or letters of equal prominence therewith (R. 24-25).

The motion was brought on the premise that no material facts were in dispute, that there was no genuine issue which had to be tried and that the petitioners were entitled to a permanent injunction as a matter of law.

In support of their motion, petitioners relied on the International Convention and the Lanham Act of July 5,

1946. The pertinent sections of the International Convention and the Lanham Act are reproduced in Appendix A.

Horne opposed the motion without contesting the applicability of the Treaty or the Lanham Act. The motion was denied by the District Court without opinion (R. 48).

Petitioners thereupon appealed to the Court of Appeals for the First Circuit (R. 49). The jurisdiction of the Court of Appeals was invoked under 28 U. S. C. § 1292(a)(1).

When petitioners' counsel answered the calendar call on October 4, 1965, Chief Judge Aldrich of the First Circuit stated that the appeal was dismissed for want of jurisdiction and that no oral argument would be heard. The subsequent opinion of the Court below is reproduced on pages 54-56 of the record.

Summary of Argument

This petition involves the interpretation of Section 1292(a)(1) of the Judicial Code which permits appeals from interlocutory orders refusing injunctions. Appealability here turns on whether the District Court's refusal to grant a permanent injunction, prayed for in a motion for summary judgment, is a refusal of an injunction under the statute.

I

The legislative purpose of Section 1292(a)(1) is to create an exception to the requirement of finality for appealability in respect to interlocutory orders pertaining to injunctions. That Congress intended to permit litigants to challenge interlocutory orders refusing injunctions is borne out by the history of the statute which originally permitted appeals for orders "granting or continuing injunctions" only, but which later on was amended to include refusals of injunctions.

II

The plain meaning of the statute is the best guidepost for its interpretation. The wording of the statute is clear, unconditional and in conformity with the Congressional intent as evidenced by the history of the statute. Interpretations that attempt to exclude appeals from orders refusing permanent injunctions ignore the undisputed meaning and the expressed purpose of the statute in favor of personal predilections.

III

The Second Circuit has repeatedly and exhaustively dealt with the applicability of the statute and has convincingly demonstrated that both meaning and purpose of the statute speak in favor of appealability. *Federal Glass Company* v. *Loshin, et al.*, 217 F. 2d 936 and *United States* v. *New York N. H. & H. R.R. Co., et al.* (*Glenmore, et al.*, v. *Ahern, et al.*) 276 F. 2d 525, 554.

IV

Since it is well settled that orders refusing preliminary injunctions are appealable under the statute and since the statute itself does not distinguish between temporary and permanent injunctions, such a distinction is unwarranted, artificial and sheer ritualism. It would permit a party, upon refusal of a permanent injunction asked for in a motion for summary judgment, to turn around and present the same papers for the purpose of obtaining a preliminary injunction. *Federal Glass Company* v. *Loshin, et al.*, 217 F. 2d 936, 938. Statutes are not enacted to permit such procedural exercise.

V

The District Court conceded that the substantive issue in controversy is a legal one involving interpretation of the International Convention and the Lanham Act. The District Court thus stated "(t)hat is a matter of law"

(R. 47-48). The Court below therefore erred in holding that the injunction was denied because of an existing issue of fact.

VI

The order refusing the injunction has a far-reaching, final and irreparable effect on petitioners' rights, because it prevents petitioners from obtaining a permanent injunction, by way of a motion for summary judgment, against different defendants whose conduct may differ as to the facts while committing the same wrong. This is so because the request for the injunction was grounded on the International Convention and the Lanham Act which prohibit the kind of unfair trade practice which Horne commits. The refusal of the injunction, without opinion, is a clear indication that the District Court found petitioners' reliance on the Treaty and the Lanham Act insufficient to warrant the injunction. The adjudication by the District Court is thus final in respect to petitioners' contention that they are entitled to a permanent injunction against the specified wrong as a matter of law.

Whether or not it is deceptive to designate non-Switzerland cheese as "Imported Swiss Cheese" without indicating the country of origin of the cheese, is a legal and not a factual question which must be determined in the light of the Treaty and statutory provisions governing trade names and unfair competition. A trial could not aid the District Court in resolving the controversy and the refusal of the permanent injunction therefore results in irreparable harm to the petitioners.

ARGUMENT

I

The legislative purpose of Section 1292(a)(1) of the Judicial Code is to provide an exception to the requirement of finality for appealability.

Section 1292(a)(1) of the Judicial Code is the notable and recognized exception to the general Congressional policy against piecemeal appeals. This Court thus stated, in *Baltimore Contractors, Inc.* v. *Bodinger*, 348 U. S. 176, 180:

> "The question here presented involves the interpretation of 28 U. S. C. § 1292(1) *which makes an exception to the requirement of finality, permitting appeals from 'interlocutory orders* . . . granting, continuing, modifying, *refusing* or dissolving *injunctions*, or refusing to dissolve or modify injunctions, except where a direct review may be had in the Supreme Court.'" (Emphasis supplied)

The provision for interlocutory appeals was first introduced in 1891, when the circuit courts of appeals were established as intermediate appellate courts, 26 Stat. 826. Section 7 of that Act, the Evarts Act, thus allowed appeals from interlocutory orders in equity "granting or continuing injunctions." Appeals from orders refusing injunctions were, however, not permitted.

> "No discussion of the underlying reasons for modifying the rule of finality appears in the legislative history, although the changes seem plainly to spring from a developing need to permit litigants to effectually challenge interlocutory orders of serious, perhaps irreparable, consequence." *Baltimore Contractors* v. *Bodinger*, 348 U. S. 176, 181.

It was evidently felt that the "developing need to permit litigants to effectually challenge interlocutory orders of

serious, perhaps irreparable, consequence" also should apply to orders refusing injunctions. Congress thus broadened in 1895, 28 Stat. 666, the scope of the original statute to permit appeals from orders refusing injunctions. The statute as enacted in 1895 is reproduced in Appendix B.

After limiting the section to the grant or continuing of an injunction in 1900, 31 Stat. 660, Congress restored its former breadth in Section 129 of the Judicial Code of 1911, 36 Stat. 1134. The need for still further expansion of appeals from interlocutory orders was demonstrated by the enactment of § 1292(b) in 1958, 72 Stat. 1770.

The development of the statute, as briefly traced, clearly demonstrates that it was the Congressional intent to enable litigants to challenge interlocutory orders affecting injunctive relief and thus to lift out and segregate such orders from the general requirements of finality for appealability.

Although the legislative history is silent as to the reason for broadening the original scope of Section 7 of the Evarts Act, to include appeals from interlocutory orders "refusing" injunctions, a plausible suggestion in this respect has been put forward by Frankfurter and Landis in *The Business of the Supreme Court*. The authors thus submit on pages 108 and 109 that "the lack of all review over the action of a single judge in denying interlocutory injunctions" "had not been adequately considered" in the Evarts Act of 1891:

It should be noted that the statute does not distinguish between preliminary, interlocutory and permanent injunctions. But, as pointed out by Circuit Judge Frank in *Federal Glass Company* v. *Loshin*, 217 F. 2d 936 (C. A. 2) at page 938, a rule differentiating as to appealability between temporary and final injunctions would be "sheer ritualism".

The language of Section 1292(a)(1), which has been on the books for more than seventy years, is plain, simple and unconditional. It permits appeals from all interlocutory

orders refusing injunctions. Bearing in mind the legislative intent to relax the rule of finality for appealability in respect to orders pertaining to injunctions, there is no good reason which would justify the spurning of the literality of the statute.

As stated by Circuit Judge Friendly of the Second Circuit in *United States* v. *New York, N. H. & H. R.R. Co., et al.* (*Glenmore, et al.*, v. *Ahern, et al.*), 276 F. 2d 525, 555:

> "Three elements are required for appealability under § 1292(a)(1) here applied: (1) The order must be 'interlocutory'; (2) it must 'refuse'; and (3) what is refused must be an 'injunction'."

All three elements are present in petitioners' case and the order is therefore appealable under the statute.

II

The dismissal of petitioners' appeal by the First Circuit "because of the general policy against piecemeal appeals" ignores the language and purpose of § 1292(a)(1) in favor of personal predilections on appealability.

In dismissing petitioners' appeal for want of jurisdiction, the Court below stated:

> "Because of the general policy against piecemeal appeals, statutes permitting interlocutory appeals are to be construed with some strictness. On this basis, whatever may be the exact letter, the spirit of § 1292(a)(1) is against plaintiffs' position."

As has been shown, the very purpose of Section 1292(a)(1) is to create an exception to the rule against piecemeal appeals. In strictly interpreting the exception, as suggested by the Court below, there is no better guide-

post than the plain meaning of the statute which is written in straightforward language.

As this Court stated in *United States* v. *American Trucking Associations*, 310 U. S. 534, 543:

> "There is, of course, no more persuasive evidence of the purpose of a statute than the words by which the legislature undertook to give expression to its wishes. Often these words are sufficient in and of themselves to determine the purpose of the legislation. In such cases we have followed their plain meaning*."

The Court below has conceded that petitioners are within "the exact letter" of the statute, but the Court contends that "the spirit of § 1292(a)(1)" is against them. This can mean only one thing, namely, that petitioners appeal is within the statute, if read literally, but literal reading of the statute is taboo in the light of the general policy against piecemeal appeals. The Court below thus spurns the "exact letter" of the statute in favor of a doctrine for which the statute is the expressed exception. It is suggested that this is an unpersuasive reason for ignoring the plain wording of the statute.

Nor is the position of the Court of Appeals ameliorated by reliance on the decisions of the Third Circuit (*Morgenstern Chemical Co.* v. *Schering Corp.*, 181 F. 2d 160 and *Hook* v. *Hook & Ackerman, Inc.*, 213 F. 2d 122), or on the dissent in *United States* v. *New York, N. H. & H. R.R.*, 276

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* citing
Taft v. *Commissioner*, 304 U. S. 351, 359;
Helvering v. *City Bank Co.*, 296 U. S. 85, 89;
Wilbur v. *United States*, 284 U. S. 231, 237;
Crooks v. *Harrelson*, 282 U. S. 55, 60;
United States v. *Missouri Pacific R. Co.*, 278 U. S. 269, 278;
Van Camp & Sons v. *American Can Co.*, 278 U. S. 245, 253;
Caminetti v. *United States*, 242 U. S. 470, 490;
Pennsylvania R. Co. v. *International Coal Co.*, 230 U. S. 184, 199.

F. 2d 525 (C. A. 2), since they are also essentially based on the "antipiecemeal appeal" approach without giving sufficient consideration to the purpose and language of the statute or its historic background.

III

The well-reasoned holdings of the Second Circuit highlight the legislative purpose of Section 1292 (a) (1) of the Judicial Code.

In 1948, for the first time, the Court of Appeals for the Second Circuit, in *Raylite Electric Corp.* v. *Noma Electric Corp.*, 170 F. 2d 914, held unanimously that the denial of a motion for summary judgment in a suit for an injunction was an order refusing an injunction and thus appealable pursuant to Section 1292(a)(1).

It should be appreciated that summary judgment procedure was first authorized for the federal district courts by Rule 56 of the Rules of Civil Procedure, promulgated by this Court effective September 16, 1938. Under the previous equity rules, there was no such thing as a summary judgment. *Dempsy* v. *Pink*, 92 F. 2d 572 (C. A. 2, 1937); certiorari denied, 303 U. S. 648.

In the light of the straightforward and simple language of Section 1292(a)(1), the Second Circuit seemingly did not think that the section presented any problem in respect to its applicability and thus did not merit any analysis, because no discussion in this respect is found in the *Raylite* opinion. After the *Raylite* decision was challenged by the Third Circuit in *Morgenstern Chemical Co.* v. *Schering Corp.*, 181 F. 2d 160, Circuit Judge Learned Hand stated thus for the Second Circuit in the subsequent *Federal Glass Company* v. *Loshin, et al.* opinion, 217 F. 2d 936:

> "We agree that, as Judge Hastie said in *Morgenstern Chemical Co.* v. *Schering Corp., supra*, our

decision (referring to *Raylite*) was made 'without analysis of the problem' owing to the fact that we mistakenly thought that the question did not demand analysis.''

The opinion by Circuit Judge Learned Hand in the *Federal Glass* case amply remedies the original omission and in persuasive and logical manner makes short shrift of those, who by superimposing their own preference, run counter to the plain meaning of the statute. Petitioners' position can be expressed no better than in Circuit Judge Learned Hand's words as appearing in the *Federal Glass* case:

> ''Section 1291 provides for appeals from final judgments of all sorts, necessarily including an appeal from a final judgment denying a permanent injunction. Section 1292 allows appeals from four different kinds of interlocutory orders of which the first is those 'granting, continuing, modifying, refusing or dissolving injunctions, or refusing to dissolve or modify injunctions.' If these words be read literally, they appear to us indubitably to cover the denial of a motion for a permanent injunction, regardless of what may be the procedure or grounds of the moving party. Indeed, we do not understand that those, who deny any appeal, think otherwise, they base their interpretation upon the theory that the decision does not settle, and indeed does not even tentatively decide, anything about the merits of the claim; all it does is to hold that, upon the facts as shown, the cause must await a trial. Even were that so, it scarcely seems an adequate reason for disregarding language so unconditional as that of the section; . . .''
>
> • • •
>
> ''It appears to us therefore that the considerations that presumably moved Congress in 1895 to grant appeals from interlocutory denials of preliminary injunctions—i.e. because it was unfair to leave suitors unprotected pending trial—should be deemed to apply to denials of permanent injunctions.''

Since the *Federal Glass* case, the Second Circuit, over the dissent of Circuit Judge Clark, has been championing the cause for appealability under Section 1292(a)(1) of interlocutory orders refusing injunctions. In so doing, it has been supported by the Fifth Circuit. *International Forwarding Co.* v. *Brewer*, 181 F. 2d 49.

In 1960, the same issue was considered by a different panel of judges of the Second Circuit in *United States* v. *New York, N.H. & H. R.R. Co. et al.* (*Glenmore et al.* v. *Ahern et al.*), 276 F. 2d 525, with the same result. Circuit Judge Friendly, in replying to an unprecedented dissent of Circuit Judge Clark, who did not participate in the case, thus stated at page 556:

> "Orders refusing injunctions are important orders—important not only to the litigants but often, as here, to the public. The need for prompt review arises from the very nature of an injunction, a remedy whose grant or refusal may result in an injury beyond possibility of repair. Congress recognized this when it subjected to review not only interlocutory orders 'granting' or 'refusing' injunctions but orders 'continuing' or 'modifying' them."

And after reviewing the history of the statute he concluded:

> "It is not for us to put personal predilections on appealability above the Congressional will."

The Court below has not advanced any legally sound reason for ignoring the Congressional will. Any personal predilections would appear to be patently insufficient ground for depriving petitioners of a review of the merits of their cause, contrary to the express provisions of the statute.

IV

Since it is well settled that interlocutory orders refusing *preliminary* injunctions are appealable under Section 1292(a)(1), it would be sheer ritualism to deny appeals from refusals of *permanent* injunctions.

It is, of course, well settled that interlocutory orders refusing preliminary injunctions are appealable under Section 1292(a)(1). *Enelow* v. *New York Life Insurance Co.*, 293 U. S. 379.

Since the statute does not distinguish between preliminary and permanent injunctions, no valid reason exists why such distinction should be made.

In *Morgenstern Chemical* v. *Schering Corp.*, 181 F. 2d 160 in which, as will be recalled, the Third Circuit originally challenged the soundness of the position of the Second Circuit, the Court stated:

> "The motion for summary judgment is not an application for a preliminary injunction. Nothing has occurred in or as a result of the denial of the motion which precludes plaintiff from seeking a temporary injunction in accordance with established procedure if he believes immediate injunctive relief is necessary and proper."

This statement is more ingenious than persuasive and demonstrates the weakness of the position of those who have no quarrel with appeals from interlocutory orders denying preliminary injunctions but who invoke the doctrine of "antipiecemeal appeal" when orders denying permanent injunctions are concerned. Circuit Judge Frank, in a concurring opinion in the *Federal Glass* case, *supra*, at page 938, expressed his disagreement with the *Morgenstern* thesis as follows:

> "1. Plaintiff's complaint prayed both a preliminary and a final injunction. Its motion sought the

relief which it asked in its complaint. When a plaintiff, without seeking summary judgment, makes a motion for preliminary injunction, if the judge refuses to grant it, because he considers insufficient affidavits offered by plaintiff, an appeal of course lies under 28 U. S. C. § 1292. I think there should be no different conclusion merely because plaintiff seeks the preliminary injunction by means of a paper which plaintiff calls a motion for summary judgment.

A contrary conclusion, by sheer ritualism, would waste time. For plaintiff, the next minute after the denial of the summary judgment motion, could present the same papers unchanged except for a new label. 'Motion for a preliminary injunction.' For that reason, I disagree with Morgenstern Chemical Co. v. Schering Corp., 3 Cir., 181 F. 2d 160, where the court said at page 162: 'Nothing has occurred in or as a result of the denial of the motion [for summary judgment] which precludes plaintiff from seeking a temporary injunction in accordance with established procedure if he believes immediate injunctive relief is necessary and proper'."

V

The Court below erred in stating that an issue of fact caused the refusal of the injunction, since the District Court conceded that the issue in controversy involves a matter of law.

The Court below stated (R. 55):

> "It is equally clear that the District Court did not finally deny a permanent injunction, but merely held that in the present posture of the case there is an *issue of fact* making a summary judgment inappropriate." (Emphasis supplied.)

This statement is not borne out by the record and demonstrates misinterpretation of petitioners' motion. Peti-

tioners grounded their claim to a permanent injunction on the International Convention and the Laham Act (see Appendix A).

During the oral argument, the District Court expressly conceded that the reliance on the Treaty and the Lanham Act raised a matter of law. This is demonstrated by the following excerpt (R. 47-48):

> "Mr. Toren (for petitioners): Now the second point was the International Convention and the Lanham Act. It hasn't even been mentioned in Mr. Cole's (for respondent) brief. Now that means he has not attacked it.
>
> The Court: Apparently he takes the position that it is not conclusive. That is the position he takes from what he said.
>
> Mr. Toren: But that is not a matter of genuine issue of fact if he simply says—
>
> The Court: That is a matter of law.
>
> Mr. Toren: That is a matter of law.
>
> The Court: If what you claim is so."

Since the District Court had acknowledged the legal issue involved and denied the motion without opinion (R. 48), petitioners must necessarily assume that their claim grounded on the Treaty and the Lanham Act has been decided against them and that the District Court found that petitioners are not entitled to the permanent injunction as a matter of law. It was consequently error on the part of the Court of Appeals to conclude that the District Court denied the motion because of an existing issue of fact.

It is submitted that the reliance of the Court below on *Morgenstern Chemical Co.* v. *Schering Corp.*, 181 F. 2d 160 (C. A. 3) is the result of the Court's misconception of the reasons for the District Court's refusal of the injunction. In *Morgenstern*, the District Court had dismissed the motion for summary judgment "because of the presence of genuine issues of fact" as expressly noted in the *Morgen-*

stern opinion on page 161. *Morgenstern* is therefore not apposite.

VI

The order refusing the permanent injunction has the kind of final and irreparable effect that justifies immediate review.

According to Rule 56(c) of the Federal Rules of Civil Procedure, a motion for summary judgment can only be granted if the papers before the court "show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment *as a matter of law.*" (Emphasis supplied)

If the motion is denied for legal insufficiency it must necessarily follow that the moving party is not entitled to the judgment as a matter of law. Where the judgment sought is an injunction, such denial is, of course, a far-reaching adjudication which more often than not is of final nature, because whether or not the injunction is justified as a matter of law or must await the evidence adduced at trial may have a final and irreparable effect on the rights of the parties. As a general proposition it may therefore be reasonably stated that an interlocutory order denying, for legal insufficiency, a motion for summary judgment granting a permanent injunction, may well have the degree of finality justifying an immediate appeal. This is one of the reasons for appealability as advanced by the Second Circuit in *Federal Glass Company* v. *Loshin, et al.*, 217 F. 2d 936 in which Circuit Judge Learned Hand stated for the Court:

> "Under Rule 56(c), 28 U. S. C. A., to be granted a summary judgment, the moving party must show, not only that there is no 'genuine issue as to any material fact,' but also that he 'is entitled to a judgment as a matter of law.' If the decision is based

upon these later words, it is obvious that a denial may finally settle a great deal, for usually a later judge will accept the law already laid down in the same action by an earlier judge. Moreover, to reach such a decision the 'discretion of the chancellor' may be 'invoked'; 'equitable considerations' may be 'weighed'; or the 'conclusion' may be 'reached with respect to the equity of the claim that a restraint should be imposed'. But, even when the denial is because there is a 'genuine issue as to any material fact', the decision is not confined to deciding that the claim must await a trial, although that of course is one of its results. Subdivision (c) requires the judge to pass upon 'the pleadings, depositions, and admissions on file, together with the affidavits'; and subdivisions (d) and (e) not only provide that the affidavits on both sides 'shall be made on personal knowledge, shall set forth such facts as would be admissible in evidence, and shall show affirmatively that the affiant is competent to testify to the matters stated therein'; but also that so far as may be possible all facts shall be decided even though the motion be denied. We cannot escape the belief that the decision involves much more than that it will be better to await a trial; and this is borne out by a substantial body of decision that the question is the same as that raised by a motion to direct a verdict in an action tried to a jury (citing cases). For example, in Sartor v. Arkansas Natural Gas Corp., 321 U. S. 620, 624, 64 S. Ct. 724, 727, 88 L. Ed. 967, the Supreme Court said: 'But at least a summary disposition of issues of damage should be on evidence which a jury would not be at liberty to disbelieve and which would require a directed verdict for the moving party'."

In the present case the substantive issue of controversy between petitioners and Horne is one of law and not of fact and the refusal of the injunction is a final adjudication in respect to petitioners' right to the injunction as a matter of law.

Whether or not it is deceptive to designate non-Switzerland cheese as "Imported Swiss Cheese", without indicating the country of origin of the cheese, is a legal and not a factual question.

Horne does not deny that the designation "Imported Swiss Cheese" means Swiss cheese imported from Switzerland, but contends that the designation has also a broader meaning to the trade and includes Swiss cheese imported from any foreign country.

Let us assume, *arguendo*, that "the trade" as referred to by Horne embraces the consuming public and that Horne's contention is correct in that indeed a segment of the public does not distinguish between Switzerland Swiss cheese and Swiss cheese of other foreign manufacture, but refers to all Swiss-type cheese as "Imported Swiss Cheese". Following this train of thought to its logical conclusion, subscribers to petitioners' viewpoint, when confronted with the legend "Imported Swiss Cheese", expect that Swiss cheese imported from Switzerland is for sale, while Horne's adherents simply believe that the Swiss cheese has been imported from any country, without knowing the specific country in question. The confusion thus created is obvious. One set of customers will believe that they are purchasing petitioners' genuine Switzerland product while the other set merely know that they are buying a foreign cheese. The confusion necessarily works to petitioners' detriment: Petitioners were the first to sell Swiss cheese in the United States, have originated the designation "Imported Swiss Cheese" and supply a superior cheese which is considerably more expensive than the Swiss-type cheeses imported from other countries. Under the set of circumstances described, petitioners, of course, lose sales, as those members of the public who expect the genuine Switzerland product are likely to be deceived into buying Horne's less expensive competing product. The result of designating a non-Switzerland product as "Imported Swiss Cheese"

is therefore diversion of sales from petitioners' genuine product, a conduct which is an unfair trade practice *per se* and expressly prohibited by the International Convention and the Lanham Act (see Appendix A). The issue between the parties is therefore a matter of law.

In this context, the Court should appreciate that petitioners do not seek to enjoin the use of the designation "Imported Swiss Cheese" *per se*, but the relief asked for is confined to prohibiting the use of "Imported Swiss Cheese" on non-Switzerland cheese in the absence of the name of the country from which the cheese originates. Petitioners have no objection to Horne selling Finnish or Austrian Swiss cheese as "Imported Swiss Cheese", provided Horne indicates that the cheese is, in fact, imported from Austria or Finland. Petitioners merely want to avoid the confusion referred to, since it works to their detriment. To require Horne to indicate the name of the originating country would obviate the confusion since it would apprise the purchaser of the origin of the cheese. Indeed, even Horne's own customers should welcome such practice since they would immediately know the country from which the cheese has been imported, while presently they are in the dark in this respect.

A trial could not possibly alter the simple proposition outlined above, since any evidence which Horne and petitioners could adduce in respect to the meaning of the disputed designation would merely tend to underline the confusion which is created by Horne's marketing of non-Switzerland Swiss cheese as "Imported Swiss Cheese" without indicating the country of origin. A trial could perhaps shed some light on the percentage ratio between the adherents of the two opposing viewpoints, but it could not change the basic premise and fact that confusion is unavoidable. As long as some members of the purchasing public believe that "Imported Swiss Cheese" comes from Switzerland, Horne's conduct must result in confusion

which in turn causes injury to petitioners' business and reputation.

Since a trial could not possibly aid the District Court in resolving the controversy, petitioners seek a decision that, irrespective of the particular ancillary facts which may be involved and adduced at trial, Horne's conduct is unlawful as a matter of law under the provisions of the Treaty and the Lanham Act. Such decision evidently would be far more valuable to petitioners and have more persuasive power in other jurisdictions than a decision which is based on a particular fact pattern which may differ in respect to the conduct of another wrongdoer who, however, commits the same wrong. The refusal of the permanent injunction is consequently in effect a final adjudication of petitioners' claim to the injunction as a matter of law pursuant to the provisions of the Treaty and the Lanham Act. The denial of injunctive relief causes petitioners great and irreparable harm by effectively impeding petitioners' attempts to protect their valuable trade designation "Imported Swiss Cheese" from dilution and infringement on a nationwide scale. In essence, by denying petitioners' motion for summary judgment granting a permanent injunction, the District Court has told petitioners that their claim for injunctive relief grounded on the Treaty and the Lanham Act is unfounded. This, it is submitted, is a final appealable adjudication.

It is thus clear that the order of the District Court has a final, drastic and far-reaching effect on the rights of the parties. For this reason, the order falls "in that small class which finally determine claims of right . . . too important to be denied review . . ." as referred to by this Court in *Cohen* v. *Beneficial Industrial Loan Corp.*, 337 U. S. 541, 546.

CONCLUSION

For the reasons stated it is respectfully submitted that the order of the Court below should be reversed and that the case be remanded to the Court below for hearing on the merits of petitioners' appeal from the order of the District Court.

Respectfully submitted,

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Appendix A

CONVENTION OF PARIS
for the
Protection of Industrial Property
of 20th March, 1883

revised

at Brussels on 14th December, 1900, at Washington on 2nd June, 1911, at The Hague on 6th November, 1925, at London on 2nd June, 1934, and at Lisbon on 31st October, 1958

(13 U. S. T. 1; TIAS 4931)

Article 1

(2) The protection of industrial property is concerned with patents, utility models, industrial designs, trademarks, service marks, trade names, and indications of source or appelations of origin, and the repression of unfair competition.

Article 8

A trade name shall be protected in all the countries of the Union without the obligation of filing or registration, whether or not it forms part of a trademark.

Article 10bis

(1) The countries of the Union are bound to assure to persons entitled to the benefits of the Union effective protection against unfair competition.

(2) Any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition:

(3) The following in particular shall be prohibited:

1. all acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities of a competitor;

2. false allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities of a competitor;

3. indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose or the quantity of the goods.

Lanham Act

Sec. 43(a) (15 U. S. C. 1125a). False designations of origin and false descriptions forbidden

Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

Sec. 44(b) (15 U. S. C. 1126b). Nationals of foreign countries which have treaties with the United States—Applicability of Act to

Any person whose country of origin is a party to any convention or treaty relating to trademarks, trade or commercial names, or the repression of unfair competition, to which the United States is also a party, or extends reciprocal rights to nationals of the United States by law, shall be entitled to the benefits of this section under the conditions expressed herein to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of a mark is otherwise entitled by this Act (Amended by Public Law 772, 87th Cong., approved Oct. 9, 1962, 76 Stat. 769).

Sec. 44(g) (15 U. S. C. 1126g). Same—Trade names or commercial names protected

Trade names or commercial names of persons described in paragraph (b) of this section shall be protected without the obligation of filing or registration whether or not they form parts of marks.

Sec. 44(h) (15 U. S. C. 1126h). Same—Protection against unfair competition

Any person designated in paragraph (b) of this section as entitled to the benefits and subject to the provisions of this Act shall be entitled to effective protection against unfair competition, and the remedies provided herein for infringement of marks shall be available so far as they may be appropriate in repressing acts of unfair competition.

Sec. 44(i) (15 U. S. C. 1126i). Same—Citizens or residents of United States to have same rights

Citizens or residents of the United States shall have the same benefits as are granted by this section to persons described in paragraph (b) hereof.

Appendix B

28 STAT. 666 OF FEBRUARY 18, 1895.

CHAP. 96.—An Act To amend the Act entitled "An Act to establish circuit courts of appeals and to define and regulate in certain cases the jurisdiction of the courts of the United States, and for other purposes," approved March third, eighteen hundred and ninety-one.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the seventh section of the Act of Congress entitled "An Act to establish circuit courts of appeals and to define and regulate in certain cases the jurisdiction of the courts of the United States, and for other purposes," approved March third, eighteen hundred and ninety-one, be, and the same is hereby, amended to read as follows:

> "That where, upon a hearing in equity in a district court or a circuit court, an injunction shall be granted, continued, refused, or dissolved by an interlocutory order or decree or an application to dissolve an injunction shall be refused in a case in which an appeal from a final decree may be taken under the provisions of this Act to the circuit court of appeals, an appeal may be taken from such interlocutory order or decree granting, continuing, refusing, dissolving, or refusing to dissolve an injunction to the circuit court of appeals: *Provided,* That the appeal must be taken within thirty days from the entry of such order or decree and it shall take precedence in the appellate court; and the proceedings in other respects in the court below shall not be stayed unless otherwise ordered by that court during the pendency of such appeal: *And provided further,* That the court below may in its discretion require as a condition of the appeal, an additional injunction bond."

Approved, February 18, 1895.